

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

In the Matter of

Broadband Industry Practices

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GN Docket No. 07-52

**COMMENTS OF
THE NATIONAL ASSOCIATION OF MANUFACTURERS.**

The National Association of Manufacturers (NAM) hereby submits its comments regarding the Notice of Inquiry in the above-captioned proceeding. Notice No. FCC 07-21 (April 16, 2007; hereinafter cited as the "Notice"). As explained below, NAM has great confidence in how advanced telecommunications capabilities are being deployed to all Americans in a timely and reasonable fashion. We do, however, have concerns that unnecessary regulation in the advanced telecommunications market would harm American consumers and impose burdens on American manufacturers.

INTRODUCTION

The NAM is the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and all 50 states. Headquartered in Washington, D.C., the NAM has 10 additional offices across the country.

The Notice requests information about the practices of content and application service providers as well as those of broadband network and access providers, and how they affect the rollout of high-speed Internet service to Americans nation-wide. The NAM respectfully submits that existing industry practices are serving broadband consumers well and the Commission

should maintain its highly successful “hands-off” policy toward the Internet, which will help ensure that the broadband marketplace continues to drive investment, innovation and job-producing economic growth.

DISCUSSION

In August 2005, the Federal Communications Commission (FCC) issued what was to be known as the “FCC Policy Statement of 2005,” principles of network neutrality, based on points made by then-Chairman Michael Powell. In essence, the policy statement outlines four principles to encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet:

1. Consumers are entitled to access the lawful Internet content of their choice;
2. Consumers are entitled to run applications and services of their choice, subject to the needs of law enforcement;
3. Consumers are entitled to connect their choice of legal devices that do not harm the network; and
4. Consumers are entitled to competition among network providers, application and service providers, and content providers.

Although the Commission did not adopt clearly enforceable rules in this regard, it has incorporated these principles into its ongoing policymaking activities. As mentioned in the FCC Policy Statement of 2005, all of these principles are subject to reasonable network management. Combined with regulatory and legislative forbearance, competition in the broadband market place has grown tremendously. With this competition, the market has seen the introduction of innovative products, especially IP-enabled services and applications. Further, this competition has lead to lower prices and more choices for consumers.

Currently, Internet providers do not block, degrade or inhibit access to the Internet, nor do they charge content providers anticompetitive fees. Some companies—notably a few online application and content providers—have raised concerns that Internet providers may offer

additional levels of services, at different prices, giving rise to fears of discriminatory treatment on the Internet. It remains unclear to us how, in light of the FCC Policy Statement of 2005, offering consumers the products they need at the prices they want would lead to *less competition* in the high-speed Internet market. By definition, this would lead to *more competition* in the high-speed Internet market as competitors would seek to differentiate themselves.

Broadband providers have a very real need to maintain, upgrade and safeguard the integrity of their networks. Because e-commerce accounts for such a sizable portion of their network traffic, the current freedom and flexibility in pricing allows broadband providers to shoulder the burden of the Internet's upkeep, as well as for innovation that helps to keep the Internet running smoothly and efficiently. The NAM believes that the government should only regulate when there is a clear market failure. In this instance, however, there is no failure. It is clear that the market is self-regulating, competition is increasing, and the online marketplace is thriving. Further, government intervention will invariably and inevitably lead to unintended consequences. Restricting broadband service providers from setting their own rates will deprive them of a legitimate source of revenue to pay for the upkeep of the network. This, in turn, will make it increasingly more difficult to raise capital in order to build the next generation of the Internet, which will desperately need significant amounts of capacity to deliver the high-quality video that consumers demand.

CONCLUSION

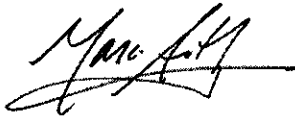
The NAM commends the Commission for doing a remarkable job in encouraging competition through its regulatory forbearance. By doing so, it has promoted a competitive and innovative Internet that enables broadband network operators to take advantage of technology to maximize capacity, avoid bottlenecks, protect privacy and meet the differing technical

requirements of a wide range of Internet services and applications. Healthy markets require no regulatory intervention. The NAM encourages the Commission to avoid unnecessary regulation that might raise costs to consumers, limit efficiency, or disrupt efforts to provide and manage additional capacity so that American consumers can enjoy the full benefits of the Internet.

Respectfully submitted,

**THE NATIONAL ASSOCIATION OF
MANUFACTURERS**

By:

A handwritten signature in black ink, appearing to read "Marc-Antony Signorino", with a stylized flourish at the end.

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